

Committee: Police Authority Board	Date: 5 th June 2020
Subject: Revenue and Capital Outturn Report 2019/20	Public
Report of: Commissioner of Police Pol 37-20	For Information
Report author: Cecilie Booth, Chief Operating and Chief Financial Officer	

Summary

The Chief Officer Cash Limited budget at the start of the year was £72.7m. By the end of the financial year the budget increased to £80.8m due to the transfer of the COL contact centre, additional pension grant and a number of internal recharges. The full breakdown of the budget is shown in Table 1 below. Furthermore, the budget has been fully adjusted to reflect the 67 growth bid posts, additional Pension Grant from HO, Apprenticeship Levy and Supplementary Revenue Projects.

This report outlines the outturn position for the 2019/20 financial year. The Force is reporting a breakeven position after reserve movements and carry forwards. The Q3 report presented a projected outturn position of a £0.6m overspend, with full use of the £2.5m POCA reserve and full utilisation of Action Fraud budgets. The financial position has improved significantly since Q3, with an outturn position of £0.2m underspend before reserve movements, in line with the Police Authority Board briefing paper of 27th April, indicating an overspend of £1.4m before POCA drawdown. The remaining £0.2m underspend has been transferred to a new earmarked reserve with expected use in 2020/21, as outlined in this report. The outturn position has therefore improved by £3.3m since Q3.

The main budget pressure has been the unfunded increase in Police Officer pension contributions in the region of £2.5m based on full establishment, and recruitment of the agreed 67 growth posts. Expenditure for the 67 growth posts in 2019/20 totals £0.9m, funded by the POCA reserve.

Other financial pressures include overtime, a larger pay award for Officers than expected, legal costs in relation to the London Bridge inquest and additional costs through the policing of significant public order events. These pressures have been off-set by savings in other areas, mainly in the pay budget as a result of vacancies held.

Savings of £6.3m were built into the budget; £4.7m in pay and £1.6m in non-pay. These savings have been achieved, however, maintaining acceptable service levels whilst holding the required vacancies has been a real challenge

Ongoing work relating to workforce management, maximising income and managing non-essential expenditure have brought the position back within budget at the end of the financial year.

Recommendation

Members are asked to note the report.

Main Report

1 Chief Officer Cash Limit Budget

1.1 The Chief Officer Cash limited budget at the start of the year was £72.7m. By the end of the financial year the budget has been increased to £80.8m, as explained above.

1.2. This is funded as follows.

Table 1

Funding Type	Amount (£000)	%
Core Grant (inc NICC)	57,100	70.7%
Business Rates Premium	13,000	16.1%
Precept grant	2,700	3.3%
CoL Contact Centre	680	0.8%
Pension Grant	842	1.0%
Apprenticeship Levy	83	0.1%
SRP	6,344	7.9%
Total Funding	80,749	100%

1.3 The outturn position is summarised below:

Provisional Outturn 19/20	£'000
2019/20 Budget	80,749
Actual spend	80,611
Variance before reserve movements	(138)

Reserve Movements:

Contribution to Action Fraud reserve	1,035
Contribution to POCA reserve due to additional receipts in year	405
Drawdown from POCA reserve to fund 67 growth posts	(900)
Drawdown from POCA to fund residual spend	(598)
Net Outturn	(196)
Carry forward to Earmarked Reserve (See 1.6)	196
2019/20 Outturn	0

1.4 The Force is reporting a breakeven position after reserve movements and carry forwards. This is an improvement on the forecast position reported at Q3, which projected an overspend of £0.6m.

1.5 The table above sets out the reserve movements and Table 13 towards the end of the report shows the impact on reserve balances. The reason for the movements is as follows:

- £1m contribution to the Action Fraud reserve to be set aside for the System supplier dispute. It also relates to some service credits we have taken but may not be entitled to and to unpaid invoices, and to.
- £0.4m contribution to POCA reserve relates to additional POCA receipts received in year which need to be utilised in accordance with POCA requirements
- £0.9m drawdown from POCA reserve to fund the in-year cost of on-boarding posts as part of agreed 67 growth.
- £0.6m drawdown from POCA reserve to fund additional spend requirements in year

1.6 The position before carry forwards is an underspend of £0.2m. The underspend will be carried forward as part of an Earmarked Reserve. There are two elements to this:

- Crime Academy surplus (£0.172m) – surplus generated in 2019/20 to be carried forward as part of mitigation of reduced income expectations due to Covid 19.
- NLF (£0.024m) – underspend due to delays in delivering Body Worn Video which will now be delivered early 2020/21.

1.7 The Force has managed a number of financial pressures in-year including:

- Additional costs due to 9.7% increase in police officer pensions
- Overtime overspend of £0.8m (please see overtime section below)
- The confirmed 2.5% pay award for Police Officer's against a budget of 2%
- Legal costs in respect of the London Bridge inquest
- Non-pay pressures on business rates and subscription charges

1.8 The Q3 report presented a projected outturn position of a £0.6m overspend, with full use of the £2.5m POCA reserve and full utilisation of Action Fraud budgets.

The financial position has improved significantly since Q3 with an outturn position of £0.2m underspend before reserve movements, therefore an improvement of £3.3m.

1.9 The key areas of improvement are set out below:

- Q3 forecast assumed full spend of Action Fraud budgets with balances to be transferred to a ring-fenced reserve
- Agency – an improvement of £0.6m since Q3 due to agency staff rationalisation
- An additional £0.2m received from HO to cover costs related to the Extinction Rebellion protests.
- An additional £0.1m income from Corporate Plan and International Training
- An improvement of £0.6m through a review of outstanding commitments
- Additional capital salaries recharged of £0.1m
- Funded Units recharge review resulting in an increase of external funding in the region of £0.2m

Table 2

	19/20 Final Budget £m	Outturn £m	Variance £m
Pay			
Officers – net	50.6	52.7	2.0
Staff – net	25.0	22.9	(2.1)
Overtime	2.0	2.9	0.8
Agency	2.4	1.9	(0.5)
Indirect employee costs	2.2	1.6	(0.6)
Pensions Contrib.	20.4	17.1	(3.3)
Total Pay	102.7	99.0	(3.7)
Non-Pay	47.2	48.1	0.9
Total Expenditure	149.9	147.1	(2.8)
Income			
Specific Grant	(52.2)	(49.2)	3.0
Partnership	(12.5)	(12.6)	(0.1)
Fees & Charges	(4.4)	(4.8)	(0.4)
Total Income	(69.1)	(66.6)	2.5
Use of reserves			
Transfers to reserve	0.0	2.1	2.1
Transfer from reserve	0.0	(1.8)	(1.8)
Total use of reserves	0.0	0.3	0.3
Funding	(80.8)	(80.8)	0.0
Underlying Deficit	(0.0)	(0.0)	(0.0)

2 Savings Target

2.1 Budget mitigations of £6.3m were required in-year to achieve a balanced budget, comprising £4.7m in pay and £1.6m in non-pay. The savings plan was monitored closely through internal governance and fortnightly monitoring meetings with the Police Authority. Pay savings have been delivered through workforce and vacancy management in core funded posts. The level of required monthly pay savings was £0.390m (81 posts, officers / staff). Non-pay savings of £1.6m have been identified and delivered as set out in Table 3 below.

Table 3

Savings Tracker	Target £'000	Outturn £'000	Variance £'000	Risk
Vacancy factor	3,700	3,744	44	G
Transform pay savings - holding branch	1,000	1,000	0	G
Total pay	4,700	4,744	44	
Corporate Plan income	300	399	99	G
Facilities Management	500	500	0	G
Seized assets disposal	300	300	0	G
Agency staff	500	500	0	G
Total non-pay	1,600	1,699	99	
Total	6,300	6,443	143	

3 Directorate Revenue Position

3.1 The table below sets out the Directorate position after reserve movements.

Table 4

Directorate	2019/20 Budget £'m	Outturn £'m	Variance £'m
BSD	34.9	32.9	(2.0)
Crime	10.5	10.3	(0.2)
ECD	7.9	7.9	(0.0)
I&I	11.9	13.7	1.7
UPD	15.4	15.9	0.5
Grand Total	80.7	80.7	(0.0)

Directorate Variances (See Table 4)

3.2 Business Support Directorate (BSD) - £2.0m underspend after reserve movements

The Directorate is slightly underspent due to recognition of drawdown of the full POCA reserve. The Directorate holds the unfunded additional police officer pension pressure and the pay budget mitigation of £3.0m. The position includes spend of £0.250m relating to the London Bridge inquest, and includes receipt of the full year pension deficit grant.

The Directorate is holding core funded net vacant posts of 3.4 FTE.

3.3 Crime - £0.2m underspend after reserve movements

Over the course of the financial year the outturn position improved due to additional grant income. There has been an increase in agency costs as highly skilled posts have remained vacant. Recruitment to these roles has been delayed due to vetting and Covid-19. Forensic services spent approximately £0.030m more than forecast on equipment in relation to PPE for the ongoing COVID-19 pandemic.

The Directorate is holding core funded net vacant posts of 16.1 FTE.

3.4 Economic Crime Directorate (ECD) - breakeven

The Directorate is 81% externally funded. The primary risk is the position on Action Fraud, which is subject to continued monitoring. The appropriate recharge between core funded and externally funded units is also subject to on-going review.

The Directorate broke even after carry forwards and transfers to reserves of £1.2m (detailed in sections 1.4 and 1.5). This is largely unchanged from the previous monitoring report. The main transfer to reserve relates to Action Fraud and the ongoing dispute with the supplier. The underspend is set aside for this purpose.

3.5 Intelligence and Information (I&I) - £1.7m overspend after reserve movements

The overspend position within I&I is due to a number of factors. A significant area is in non-pay budgets with un-budgeted computer services and support expenditure within the Command Hub, Information and Management services and CAB, annual subscriptions and professional fees for services such as Regulation of Investigatory Powers Act (RIPA) and cost of licences/maintenance for information security. All these unavoidable costs relate to core services, and the budget has been corrected in 2020-21

There are also pressures on overtime, mainly within the Command Hub. Overtime activity is driven by the 24 hour nature of work within the Command Hub and to the work undertaken by the Surveillance team. Various measures have been introduced to address and manage overtime, e.g. a review of work and shift patterns and recruitment to build team resilience at supervisory levels. These measures improved the position significantly, and year on year there has been a 40% reduction in overtime.

Finally, there were a number of unfunded posts in the various services with The Niche Secure City programme which has been addressed in the 2020-21 financial year.

The Directorate is holding core funded net vacant posts of 1.7 FTE.

3.6 Uniformed Policing Directorate (UPD) - £0.5m overspend after reserve movements

The overspend is primarily due to overtime, particularly in Firearms, Support Group and Response teams. Measures have been introduced to manage this, and the position has improved significantly year on year by 48%. This remains a significant area of risk with uncertainty around future potential public order events such as Extinction and Animal Rebellion, as well as emerging demand around COVID19. Other staff related pressure relate to unfunded posts within Response, the Firearms Training wing and Custody teams, which meant pay costs were in excess of the budget. A bonus scheme was introduced in the Firearms team to aid recruitment and retention of highly specialist officers, thereby maintaining improved stability within the service.

Budget pressures have been significantly mitigated by unbudgeted income from various sources, including a Home Office grant for the London Bridget terrorist incident in November and late funding provided in respect of the Animal and Extinction rebellion. There was also income from various sponsorship agreements e.g. Bloomberg, DCLG for Community Policing and funding from the Mayor's office for Op Gondola (Roads policing violent crime).

The Directorate is holding core funded net vacant posts of 21.7 FTE.

4 Workforce

4.1 The pay budget constitutes 72% of our expenditure and the stringent management of vacant posts has been essential to manage the financial position throughout 2019/20. The establishment at the end of 2019/20, including 67 growth posts, was 1,358 FTE, comprising 840 Officers and 518 staff. The actual workforce paid in March was 1,184 FTE comprising 742 Officers and 442 Staff.

4.2 The tables below set out the actual position by month for the year. The position reflects the holding of vacant posts required to deliver budget mitigations.

Table 6

FTE	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Officers	735	746	748	758	755	761	757	758	747	748	751	742
Staff	435	436	434	447	445	448	438	439	440	443	442	442
Total	1,170	1,182	1,182	1,206	1,199	1,209	1,195	1,197	1,187	1,191	1,193	1,184

Headcount	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Officers	744	763	756	767	763	769	765	766	755	755	759	750
Staff	447	449	445	460	457	461	451	452	454	457	456	456
Total	1,191	1,212	1,201	1,227	1,220	1,230	1,216	1,218	1,209	1,212	1,215	1,206

4.3 The Prime Minister pledged to recruit 20,000 extra police officers in England and Wales over the next three years, and a recruitment drive started in September 2019. 44 new officers were allocated for CoLP in 2020/21 via a ring fenced grant in the 2020/21 police settlement in January. Due to COVID19, the ring fence has been relaxed in the first two quarters of 2020/21.

4.4 Recruitment towards the 67 growth bid is under way. At the end of March 2020, 38 posts have been filled with 29 expected to be arrive early in new financial year. The actual cost in 2019/20 was £0.9m in respect of these posts, which has been funded by the POCA reserve.

5 Income

5.1 Table 7 below sets out the grant funding position for the Force totalling £65.89m

Table 7

Name of Grant	Funding Provider	2019/20 Budget £'000	Outturn £'000	Variance £'000
Police Pensions Grant	Home Office	(20,400)	(17,122)	3,278
National Cyber Security Programme	Home Office	(6,645)	(6,166)	479
Counter Terrorism Policy Grant	Home Office	(6,554)	(6,741)	(187)
Action Fraud Managed Service	Home Office	(5,500)	(5,248)	252
Insurance Fraud Enforcement Team	Association of British Insurers	(4,003)	(3,794)	209
Action Fraud National Fraud Intelligence Bureau	Home Office	(4,000)	(4,297)	(297)
Dedicated Cheque & Plastic Card Unit (DCPCU)	UK Payments Administration Ltd	(2,520)	(2,494)	26
National Lead Force	Home Office	(2,500)	(2,250)	250
Police - Pension Unfunded Grant	Home Office	(2,500)	(32)	2,468
Economic Crime Capability Development	Home Office	(2,200)	(3,188)	(988)
International Property Crime Investigation Unit (IPICU)	Intellectual Property Office	(1,916)	(1,919)	(3)
Police Transport Grant	Transport for London	(1,847)	(1,897)	(50)
National to Local Fraud & Cyber Data Sharing	Home Office	(1,761)	(585)	1,176

Lloyds Sponsorship	Lloyds Bank	(643)	(431)	212
Cyber Griffin	Corporation	(450)	(442)	8
Late Night Levy	Corporation	(310)	(302)	8
International Training and Development Team	Home Office	(300)	(302)	(2)
International Training and Development Team	Various	0	(6)	(6)
London Safety Camera Partnership	Transport for London	(264)	(245)	19
Economic Crime Victim Care Unit	Mayors Office for Policing & Crime	(210)	(208)	2
Overseas Anti-Corruption Unit	Department for International Development	(171)	(200)	(29)
NPCC Cybercrime Programme	Home Office	(100)	(103)	(3)
Tower Bridge	Corporation	(92)	(92)	(0)
Regional Organised Crime Unit Coordinator	Home Office	(90)	(84)	6
Other - Volunteer Police Cadets	Cadet Contributions	(10)	(5)	5
19/20 National Uplift Grant	Cadet Contributions	0	(202)	(202)
Extinction and Animal Rebellion	Home Office	0	(240)	(240)
Common Police Services Contributions	College of Policing and HMICFRS	0	(155)	(155)
Free Rail Travel	London Mayors Office	0	(444)	(444)
OP Armonica	Home Office	0	(85)	(85)
Other - Forensic Services	Miscellaneous Income	0	(19)	(19)
Other - Misc	Mayors Office for Policing & Crime	0	(12)	(12)
Other - Misc	Royal Gibraltar Police	0	(2)	(2)
Other - Misc	Hampshire County Council	0	(1)	(1)
Other - Misc	Other	0	0	0
Other - Misc	Miscellaneous Income	0	69	69
Other - Support Group	London Mayors Office	0	(100)	(100)
Other - Taser Project	College of Policing	0	(31)	(31)
Other - Womens Network	Other	0	(2)	(2)
PTF & NCSP Funding Grant	Miscellaneous Income	0	(258)	(258)
Secondment costs	Home Office	0	(59)	(59)
Secondment costs	Mayor's Office for Policing and Crime	0	17	17
Grand Total		(64,986)	(59,677)	5,309

5.2 Work continues to ensure there is a full cost recovery approach to all funded units, this is incorporated into the Medium Term Financial Plan. Contractual arrangements are reviewed as and when existing contracts expire.

6 Capital

6.1 The position for current live capital schemes is shown in Table 8 below. This part of the report indicates budget drawdown and spend to date on each City of London Police projects within the City of London Corporation's Capital Programme

6.2 The first monitoring report in 2020/21 will include the forecast spend for each quarter on all capital projects and in future reports responses from project manager / project board will be incorporated into the report where timelines are not being adhered to.

Table 8

Core Project	Latest Approved Budget	Spend to date (excluding commitments)	Commitments (orders placed)	Available Spend carried forward to 20/21	Comments
CoLP Managed Projects					
Ring of Steel Compliance	2,446,429	2,218,746	59,743	167,940	
ESMCP - Direct Network Service Provider (DNSP)	98,200	69,444	0	28,756	
ESMCP - Emergency Services Network Readiness (ESN-R)	521,717	521,717	0	0	
Police Airwave Refresh	29,700	25,195	0	4,505	Part of the £1.25m airwaves refresh project. This is for project management costs to date.
ESMCP Programme Management	1,201,457	839,374	0	362,083	
ICT Support to CCCI	3,360,494	3,333,407	0	27,087	
Secure City Programme Management	195,000	190,626	0	4,374	
CoLP I.T. Modernisation Desktop & Office 365	3,800,000	1,186,646	1,451,573	1,161,781	
CoLP I.T. Modernisation Security Zone	849,815	477,164	245,495	127,156	
CoLP I.T. Modernisation Sharepoint/Intranet	245,000	0	0	245,000	
Police Telephony Upgrade	492,309	309,106	103,481	79,722	
IT Service 2020 Contract - Police	941,500	42,898	85,988	812,614	
Local Area Network (LAN) Refresh - Police	1,371,612	1,369,381	0	2,231	
Body Worn Video	147,350	142,636	0	4,714	
Digital Interview Recording Solution	253,952	0	0	253,952	
Economic Crime Capability Development	74,349	74,348	0	1	
Police Vehicles - ULEZ	391,000	0	389,880	1,120	Part of the £1.8 million - £737k approved under urgency but

					only £391k applied as budget
Police Vehicles 2019-20	108,842	12,934	79,588	16,320	A mix of capital receipts and revenue contributions enabled this budget
Secure City Programme Management	257,503	157,423	0	100,080	
HR Time Management & e-Expenses	425,496	259,411	100,982	65,103	
	17,211,725	11,230,456	2,516,730	3,464,539	
CoLP Managed Police Accommodation Strategy Projects					
GYE Enabler Relocation	141,000	56,525	0	84,475	
GYE Furniture	399,698	396,495	0	3,203	
HI Tech Crime Unit	36,000	36,000	0	0	
PH6D Snow Hill Decommissioning & Clearance	20,000	13,457	0	6,543	
Ph2 Wood Street Building Clearance	20,000	0	0	20,000	
Project Commune	180,700	149,071	0	31,629	
SIGO	121,375	36,405	0	84,970	
Forensic Services Relocation of Fingerprint LAB	331,745	128,330	0	203,415	
Phase 3 Decant Logistics	579,007	495,054	67,174	16,779	
Phase 3J 21 New Street Furniture	335,858	307,378	0	28,480	
Interim Control Room I.T.	405,295	150,844	0	254,451	
Interim Force Control Room	1,362,873	1,250,696	16,600	95,577	
Phase 3a Bishopsgate Furniture	204,952	112,539	9,241	83,172	
GYE I.T. Costs	599,000	481,445	0	117,555	
Digitisation of Documents	58,547	49,168	0	9,379	
Interim Force Control Room ANPR	242,740	235,517	0	7,223	
Police Support	3,291,037	2,637,945	16,224	636,868	
I.T. Decant	365,800	335,517	1,488	28,795	
I.T. Decommissioning	79,000	33,693	7,228	38,079	
Joint Contact & Control Room Decant	64,950	48,284	0	16,666	
Phase 3G Mounted Unit	15,000	10,164	3,295	1,541	
I.T. Decant	1,563,144	1,058,982	67,098	437,064	
Joint Contact & Control Room	228,850	228,099	0	751	
Custody Exercise Yard	71,000	0	0	71,000	Approved in March 20 as part of PAS
	10,717,571	8,251,608	188,348	2,277,615	
	27,929,296	19,482,064	2,705,078	5,742,154	

7 Transactional finance

Accounts Payable

7.1 Table 9 shows performance relating to payment of invoices within 30 or 10 days. Performance of 95% which is consistent with previous quarters, but below the corporate target of 97%. Measures are in place to improve overall performance including clearing backlogs and rolling out self-service.

Table 9

Month	Total Invoices	Compliant Invoices	%
Jan-19	687	619	90%
Feb-19	587	566	96%
Mar-19	713	686	96%
Apr-19	545	526	97%
May-19	653	618	95%
Jun-19	528	510	97%
Jul-19	598	566	95%
Aug-19	599	568	95%
Sep-19	498	476	96%
Oct-19	595	563	95%
Nov-19	630	605	96%
Dec-19	572	543	95%
Total to Date	7,205	6,846	95%

Accounts Receivable

7.2 Table 10 below shows total Debtors as at the 31st March 2020. Outstanding debt has decreased by £0.466m to £0.959m at the end of Q4. The majority of outstanding debt is in the less than 1 month old, with 61 invoices totalling £0.806m. Collection activity continues to be a priority to ensure timely collection and prevent debts aging. There are 9 invoices over 1 year old totalling £0.024m, all of which is expected to be collected. There has been no debt write off this financial year.

Table 10

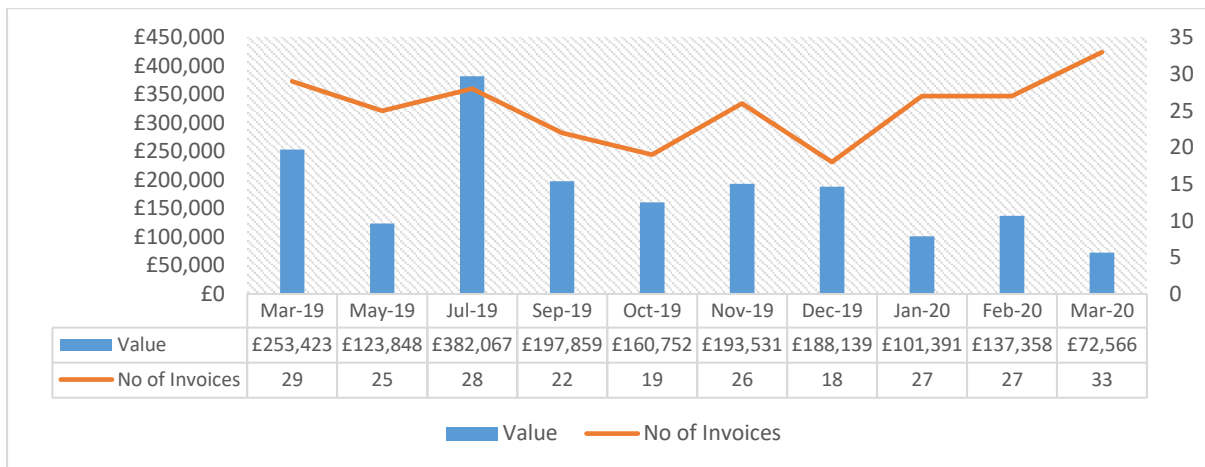
Age	Q3		Q4		Change from Q3 to Q4	
	Count	Value £	Count	Value £	Count	Value £
Less than 1 Month	19	1,111,843	61	806,437	42	(305,406)
1 - 2 Months	14	60,390	4	16,083	(10)	(44,307)
2 - 3 Months	14	65,141	6	64,087	(8)	(1,054)
3 - 12 Months	8	163,490	24	48,796	16	(114,694)
Over 1 year	10	24,649	9	23,770	(1)	(879)
Total	65	1,425,513	104	959,173	39	(466,340)

Table 11

Accounts receivable activity in Q4	Q4 2019	
	No	Amount £
Number of Invoices Paid	(87)	(1,618,028)
New Invoices Raised	61	806,437
Credit Notes Issued	(2)	(14,888)
Debts Written Off	0	0

Table 12

Movement in aged debt over 3 months



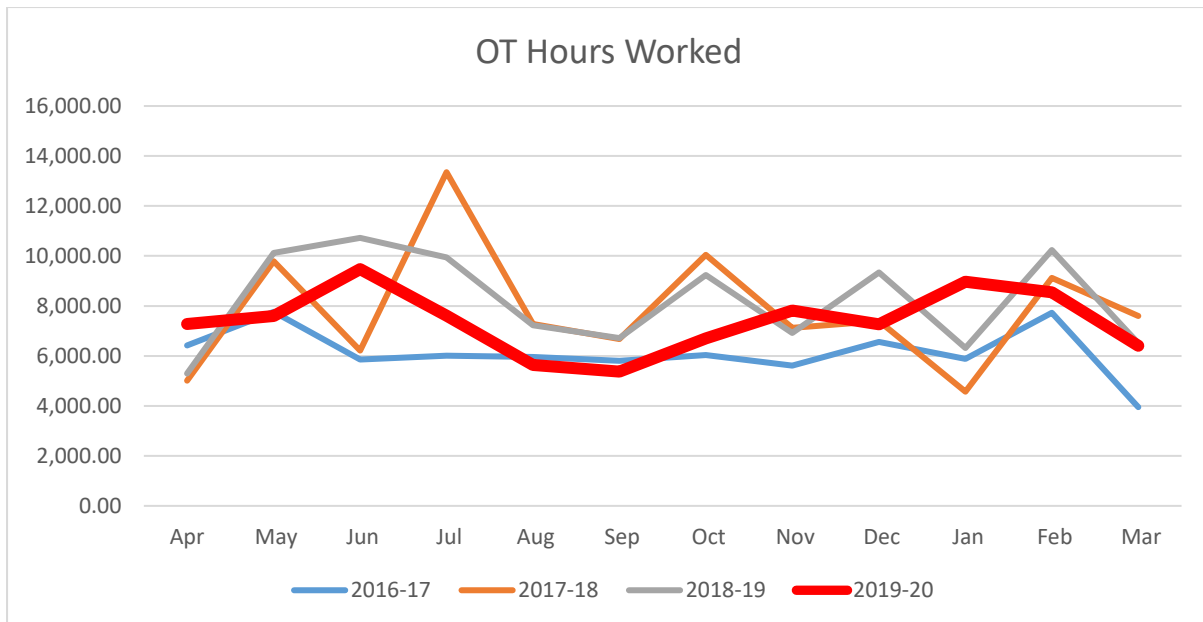
Overtime

7.3 The overtime budget is £2.0m, split £1.6m core funded and £0.4m funded units. This includes overtime in respect of bank holidays and tasking.

7.4 Actual spend as at the 31st March 2020 is £2.8m, covering both officers and staff, which is £0.8m over budget. This is mainly due to the number of vacancies held and has been off-set against corresponding pay savings and external grants, as set out in this report.

7.5 Expenditure in 2019/20 was £0.4m lower than that in 2018/19 due to a combination of new controls and clear communication to managers and is despite the additional overtime requirement due to policing the Extinction Rebellion protests.

7.6 The chart below shows the trend on overtime hours worked across the year compared to previous years. The trend indicates a reduction in overtime compared to previous years and that controls have been effective.



7.7 The main reasons for claiming overtime have been:

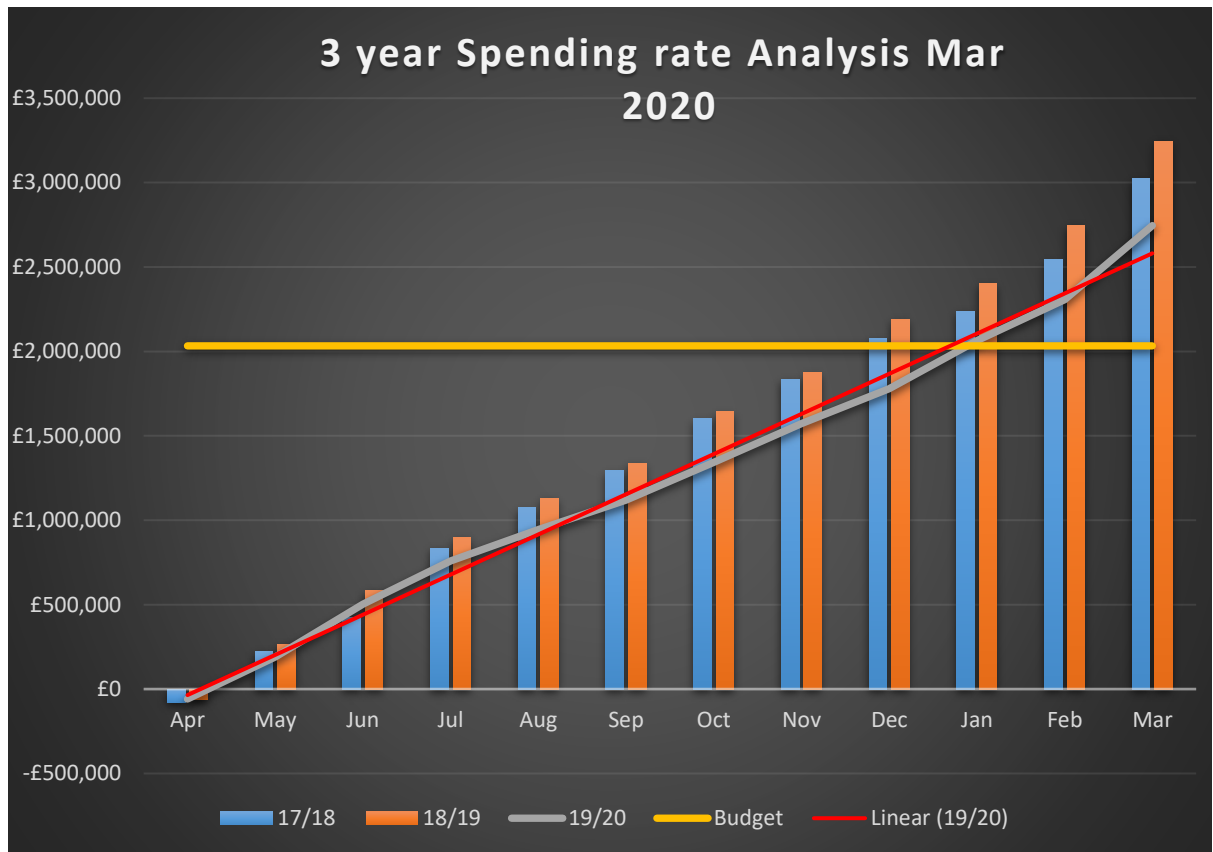
- Covering for vacant posts (backfilling / Business as Usual)
- Extinction / Animal Rebellion protests
- Pan London Brexit protests
- TFG including Bank of England armed escorts (which is substantially recovered through the contract)

7.8 There was minimal overtime spend in relation to Covid 19 in 2019/20, however, this is more prevalent in 2020/21.

7.9 Overtime expenditure in the region of £0.2m relates to policing the Extinction / Animal Rebellion protests. We have recently been notified by the Home Office that our bid for special grant funding was approved.

7.10 The largest spending Directorate is UPD which constitutes 45% of overtime. Going forward it is expected that the need for backfilling and BAU will reduce as vacancies are filled, however, it is difficult to predict requirements relating to future known and unknown policing requirements.

7.11 The chart below shows cumulative overtime spend against the last two years. This shows that spend this year has been on a lower trajectory than previous years due to the controls that were put in place.



8 Use of Reserves

8.1 The Police General Reserve was fully utilised in 2018/19 and drawdowns were made from the Transformation Reserve and the Action Fraud reserve to match expenditure. Table 13 below summaries 2019/20 reserve movements and closing reserve balances:

Table 13

	Opening Balance £'m	Use of Reserve £'m	Transfer to Reserve £'m	Closing Balance £'m
Earmarked Reserve	0.0	0.0	(0.2)	(0.2)
POCA	(2.5)	1.5	(0.4)	(1.4)
Action Fraud	(1.7)	0.3	(1.3)	(2.7)
Transformational Funding	(0.1)	0.0	0.0	(0.1)
Total	(4.3)	1.8	(1.9)	(4.4)

9 POCA Reserve

9.1 Clear Home Office guidance is in place around the use of POCA (Proceeds of Crime Act) funds, i.e. to reduce crime. The Home Office will monitor the use of

incentive monies to assess issues of propriety and regularity. The Home Office will ask all asset recovery agencies (including all police forces and local authorities) at the end of the financial year to account for their use of incentive payments. Each agency will be required to submit one consolidated return as follows:

- Details of how funds have been used
- For each initiative/project how much has been allocated
- How has this contributed to improving asset recovery, performance, or tackling crime
- What are the particular asset recovery outcomes.

10 Risk Management

10.1 Table 14 below identifies the key risks and mitigating controls contained within this report: (quantum included where possible)

Table 14

Risk	Risk Mitigation
Major incidents	Early engagement with the Home Office to ensure opportunities for cost recovery are maximised. £0.2m was recovered for extinction / animal rebellion and £0.2m for the national police officer uplift.
Crime Performance / Safety issues	All such issues will be reported to Members
Vacancy factor	It was challenging to maintain acceptable service levels with a vacancy factor of 81 during 2019/20. All recruitment is approved by the Strategic Workforce Panel. The Holding Branch posts have been deleted from the 2020/21 establishment
Budget mitigations and additional pension pressure	Fortnightly strategy meetings are held with the Commissioner, Town Clerk and Police Authority Policy and Finance, reviewing and challenging budget and savings assumptions.
Overtime budget	Enhanced controls have been introduced to manage the overtime budget. The £2m overtime budget was overspent by £0.8m, mainly due to backfilling vacant posts. A reduction in overtime is expected in 2020/21 as posts are filled.

Deferred Weekly Leave (DWL)	As at 31 st March 2020, accrued DWL is valued at £1.3m for officers and £0.07m for staff. Further DWL may build-up further. There are currently no financial implication, however, the position is under continuous review.
Use of agency staff	Reliance on agency staff has been greatly reduced, generating savings of £0.5m
Further cost pressures for Action Fraud	Under review and close scrutiny as outlined within the report
Capital Programme progress and potential slippage	The Capital Programme is monitored throughout the year with capital recharges undertaken in a timely manner.
Events policing	Finance Business Partners will continue to work closely with services to ensure chargeable events policing is captured in a timely manner and recharged accordingly.
Vehicle fleet management	The Strategic Fleet Management Group chaired by the Assistant Commissioner monitors financial risk around the fleet replacement programme. A £1.8m loan has been granted by the Corporation for this purpose, and £0.3m has been released to date. Discussions are taking place to release the remainder as orders need to be raised.